

# HOUSE BILL 406

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HB 1408/09 – ECM

0lr0137

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By: **Chair, Economic Matters Committee (By Request – Departmental – Labor,  
Licensing and Regulation)**

Introduced and read first time: January 29, 2010

Assigned to: Economic Matters

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Committee Report: Favorable

House action: Adopted

Read second time: March 3, 2010

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Real Estate Licensees – Services Provided Through Teams**

3 FOR the purpose of requiring a team of licensed associate real estate brokers and  
4 licensed real estate salespersons that provides real estate brokerage services to  
5 designate a team leader; establishing qualifications for the team leader;  
6 establishing certain duties of the team leader, the team members, the real  
7 estate broker, and the branch office manager; authorizing the designation of  
8 intracompany agents under certain circumstances; prohibiting the name of a  
9 team from containing certain terms; regulating the contents of certain  
10 advertising; requiring team members to conduct business from certain offices;  
11 defining a certain term; and generally relating to the provision of real estate  
12 brokerage services.

13 BY adding to

14 Article – Business Occupations and Professions

15 Section 17–543 through 17–548 to be under the new part “Part V. Provision of  
16 Real Estate Brokerage Services Through a Team”

17 Annotated Code of Maryland

18 (2004 Replacement Volume and 2009 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article – Business Occupations and Professions**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 17-541. RESERVED.

2 17-542. RESERVED.

3 PART V. PROVISION OF REAL ESTATE BROKERAGE SERVICES THROUGH A  
4 TEAM.

5 17-543.

6 IN THIS PART V OF THIS SUBTITLE, "TEAM" MEANS TWO OR MORE  
7 LICENSED ASSOCIATE REAL ESTATE BROKERS OR LICENSED REAL ESTATE  
8 SALESPERSONS, OR ANY COMBINATION OF LICENSED ASSOCIATE REAL ESTATE  
9 BROKERS OR LICENSED REAL ESTATE SALESPERSONS, WHO:

10 (1) WORK TOGETHER ON A REGULAR BASIS TO PROVIDE REAL  
11 ESTATE BROKERAGE SERVICES;

12 (2) REPRESENT THEMSELVES TO THE PUBLIC AS BEING PART OF  
13 ONE ENTITY; AND

14 (3) DESIGNATE THEMSELVES BY A COLLECTIVE NAME SUCH AS  
15 TEAM OR GROUP.

16 17-544.

17 (A) EACH TEAM SHALL DESIGNATE A TEAM LEADER WHO SHALL BE:

18 (1) A LICENSED ASSOCIATE REAL ESTATE BROKER; OR

19 (2) A LICENSED REAL ESTATE SALESPERSON WHO HAS AT LEAST 3  
20 YEARS OF EXPERIENCE IN PROVIDING REAL ESTATE BROKERAGE SERVICES.

21 (B) THE TEAM LEADER SHALL:

22 (1) MAINTAIN A CURRENT LIST OF ALL MEMBERS AND  
23 EMPLOYEES OF THE TEAM; AND

24 (2) PROVIDE THE LIST AND ANY REVISIONS OF THE LIST TO THE  
25 BROKER OR THE BRANCH OFFICE MANAGER OF THE BROKERAGE WITH WHICH  
26 THE LICENSEES ARE AFFILIATED.

27 (C) THE REAL ESTATE BROKER OR BRANCH OFFICE MANAGER OF A  
28 REAL ESTATE BROKER SHALL:

1           **(1) MAINTAIN COPIES OF THE LISTS; AND**

2           **(2) MAKE THE COPIES AVAILABLE TO THE COMMISSION ON**  
3 **REQUEST.**

4 **17-545.**

5           **(A) THE TEAM LEADER SHALL EXERCISE REASONABLE AND ADEQUATE**  
6 **SUPERVISION OVER THE PROVISION OF REAL ESTATE BROKERAGE SERVICES BY**  
7 **MEMBERS OF THE TEAM.**

8           **(B) THE RESPONSIBILITY OF THE TEAM LEADER TO SUPERVISE THE**  
9 **ASSOCIATE REAL ESTATE BROKERS AND REAL ESTATE SALESPERSONS ON THE**  
10 **TEAM SHALL BE IN ADDITION TO THE SUPERVISION RESPONSIBILITIES OF THE**  
11 **REAL ESTATE BROKER AND BRANCH OFFICE MANAGER OF THE REAL ESTATE**  
12 **BROKER PROVIDED FOR IN § 17-320 OF THIS TITLE.**

13           **(C) THE TEAM LEADER AND THE MEMBERS OF THE TEAM SHALL**  
14 **ADHERE TO ALL OFFICE RULES, PRACTICES, AND PROCEDURES ESTABLISHED**  
15 **BY THE REAL ESTATE BROKER AND THE BRANCH OFFICE MANAGER OF THE**  
16 **REAL ESTATE BROKER.**

17 **17-546.**

18           **A REAL ESTATE BROKER MAY DESIGNATE TWO MEMBERS OF A TEAM AS**  
19 **INTRACOMPANY AGENTS FOR THE SELLER AND THE BUYER IN THE SAME**  
20 **TRANSACTION IF THE PARTIES HAVE FIRST BEEN ADVISED IN WRITING THAT**  
21 **THE LICENSEES ARE PART OF THE SAME TEAM AND THE TEAM COULD HAVE A**  
22 **FINANCIAL INTEREST IN THE OUTCOME OF THE TRANSACTION.**

23 **17-547.**

24           **(A) THE NAME OF THE TEAM MAY NOT CONTAIN THE TERMS “REAL**  
25 **ESTATE”, “REAL ESTATE BROKERAGE”, OR ANY OTHER TERM THAT WOULD LEAD**  
26 **THE PUBLIC TO BELIEVE THAT THE TEAM IS OFFERING REAL ESTATE**  
27 **BROKERAGE SERVICES INDEPENDENT OF THE REAL ESTATE BROKER.**

28           **(B) ALL ADVERTISING BY THE TEAM MUST CONTAIN:**

29           **(1) THE NAME OF THE BROKERAGE DISPLAYED IN A MEANINGFUL**  
30 **AND CONSPICUOUS WAY;**

1                   **(2) THE NAME OF AT LEAST ONE OF THE LICENSEE MEMBERS OF**  
2 **THE TEAM; AND**

3                   **(3) THE TELEPHONE NUMBER OF THE REAL ESTATE BROKER OR**  
4 **BRANCH OFFICE MANAGER OF THE REAL ESTATE BROKER.**

5                   **(c) THE TEAM NAME IN THE ADVERTISEMENT MUST BE DIRECTLY**  
6 **CONNECTED TO THE NAME OF THE BROKERAGE.**

7 **17-548.**

8                   **TEAM MEMBERS MUST CONDUCT ALL REAL ESTATE BROKERAGE**  
9 **ACTIVITIES FROM THE OFFICE OR BRANCH OFFICE WHERE THEIR LICENSES ARE**  
10 **DISPLAYED AS PROVIDED IN § 17-317 OF THIS TITLE.**

11                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
12 October 1, 2010.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.